

## **Durham Convention Center Authority meeting**

Tuesday, June 16, 2009

8:00 am

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The meeting was called to order at 8:00am with the following members present:

*Authority:* Rosemarie Kitchin, Al Bass, Patrick Byker, and Billy Ruffin. Joe Bowser is a new Authority member and County representative effective May 26, 2009. Mr. Bowser was not present. *Owners:* Harmon Crutchfield, Sharon DeShazo, Mícheál Lynch, Karmisha Wallace, and Drew Cummings. *Management Company:* Dick Brezinski, Alfrado Garner, Joseph Hofmann, and Wendy Jeffries.

Motion of approval for May 19, 2009 minutes moved by Patrick Baker, seconded by Rosemarie Kitchin, voted and agreed upon by all.

### **Open Issues:**

- Phase II Capital Project costs discussed
- Status of management agreement – deferred until chair's return in July.
- Continue Fuqua Study review – deferred until chair's return in July.
- Shaner will prepare a report on the pros/cons of the convention center owning audio visual equipment reporting in July.

### **Action Items:**

Mr. Brezinski will google Durham Convention Center and venues similar in size and report his findings to the group.

The designers need to meet with Shaner on Phase I close-out.

### **Meeting Summary:**

The website committee which consists of Rosemarie Kitchin, Drew Cummings, Wendy Jeffries, and Joseph Hofmann provided an update. The cost of a separate website is estimated between \$20,000 and \$40,000. It is not known whether or not a separate website will bring forward increased revenues; however, booking only a very few large events because of the site will recover the cost of the site. It may be difficult to fund the website during the 2009/10 fiscal year since it was not budgeted. The goal is to fund it in the 2010/11 budget. It is more beneficial to pursue other website goals which do not incur costs during the 2009/10 fiscal year. DCVB is a good portal for website usage but it cannot show favoritism to the Convention Center. It is not beneficial to Shaner to invest in a separate website since it owns mostly smaller hotels. There was discussion of linking the Convention Center to the County website. Options include showing the front of the Marriott page and include pages from DCVB devoted to the Convention Center. DCVB is receptive to remodeling its pages, particularly doing a portal specific to the Convention Center with updated artwork. Marriott policies will not allow the Durham Convention Center on the hotel's front page, but Shaner is willing to make it customer friendly and update as frequently as possible.

The owners will forward an invoice to Shaner representing the 2008/09 deficit over budget to be reconciled at the end of the fiscal year. Each entity has agreed to pay \$110,000 for the deficit over budget.

**Current Project – Phase I (FY05-06 funds)**

The construction phase was completed within budget and on schedule in August 2008. Several close-out issues are being tracked including faulty compact fluorescent lamps, rooftop unit #3 freeze-failure, possible further fluctuations to the incoming electric supply and an imbalance in the existing chilled water system, the latter two of which will be resolved under the Phase II Project.

**Proposed New Project - Phase II (FY08-09 funds)**

The new project is combined with the adjacent Carolina Theatre and Arts Council projects. A stakeholders meeting was held in July 2008 to develop the project scope based on the unfunded list (appendix B) from the current project. The steering committee met on 6/10/09 to review how the proposed scope and how priorities would be identified.

***Project Budget***

Design phase funded July 2008	\$1,176,000.00
Construction phase funding anticipated July 2009	\$5,335,000.00
Project total	\$6,511,000.00

***Design Phase – 6 months***

Following the Architect/Engineer and the CM@R's appointment, a steering committee composed of the Owners, Shaner, the Architect/Engineer and the CM@R will develop the eventual project scope based on a review of the stakeholder' priorities. The CM@R will also develop a construction schedule and consult with the Project Manager and Shaner for any business shutdowns which may be required.

***Construction Phase – schedule to be determined***

The CM@R issues a Guaranteed Maximum Price developed from the acceptable bid, which then becomes the basis for their construction phase contract.

Presently, the goal is to update the design team and get an understanding of what the standards are. The budget was approved by the City of Durham on June 15, 2009.

**Management Company update:**

May revenues exceeded the forecast by \$3,961 but were still under budget by \$53,749. This is partially due to a deficit in audio visual revenues. Some customers are providing their own audio visual equipment. Expenses increased by \$8,000 due to extra contract labor needed for large functions. Beverage costs also increased. The current end-of-year deficit at \$357,199 is consistent with last month's total. Total May revenues produced \$138,701. The sales team actively pursued 392 prospective events and successfully booked 37 actual events. The sales department has been operating without a sales manager position for the last six weeks. The facility booked nine events 90 days out. Seven events cancelled after contracts were signed which totaled \$94,287. Staff continues to book events much closer to their date than was customary before the recession affected business. The Management Company distributed and discussed the

ESS Customer Service Response Form which does an outstanding job in managing statistics from meeting planners.

**Agenda for next meeting**

- Continue Fuqua Study Review
- Status of new management agreement
- Shaner report on ownership of audio visual equipment